

To the Members of the California State Senate:

I am returning Senate Bill 109 without my signature.

This bill would revise the definition of auctions to include real estate sales and require notification to an auction audience bidding on real estate of all fees that will be levied as a condition of bidding, and an explanation of certain terms relating to the auction. This bill would also require the return of deposits and fees in a specified time if the bidder's offer is rejected or if the seller does not respond to the offer.

While the goals of SB 109 are laudable, this bill adds additional unnecessary regulatory burdens on business. Existing law provides consumers with civil remedies should a seller fail to release a deposit in a timely fashion. In addition, auctions of real property by third parties often involve a real estate broker whose improper conduct would already be subject to discipline by the Department of Real Estate. Since this measure would impose unnecessary restrictions and fees upon real estate auctioneers, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger